Message Text

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ORIGIN SS-25

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P 190048Z FEB 76 FM SECSTATE WASHDC TO AMEMBASSY OTTAWA PRIORITY

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EXDIS

E.O. 11652: GDS

TAGS: MILI, CA, EAIR

SUBJECT: LOCKHEED ASSURANCES TO CANADIAN GOVERNMENT REF: OTTAWA 618, 2/17/76

1. ALTHOUGH WE CONCUR IN YOUR ASSESSMENT REGARDING THE GREAT IMPORTANCE OF LOCKHEED TO THE US ECONOMY AND DEFENSE STRUCTURE, YOU WILL UNDERSTAND THAT, GIVEN FACT THAT LOCKHEED IS PRIVATE CORPORATION, IT IS NOT POSSIBLE TO GIVE FORMAL ASSURANCES TO CANADIAN GOVERNMENT THAT USG WOULD NOT PERMIT NON-PERFORMANCE OF MAJOR LOCKHEED CONTRACTS. LOCKHEED IS ESPECIALLY SENSITIVE CASE IN VIEW OF CONGRESSIONAL CRITICISM OF EARLIER USG GUARANTEED LOAN AND PRESENT FALLOUT FROM RECENT REVELATIONS OF ILLEGAL PAYMENTS BY LOCKHEED IN OBTAINING FOREIGN CONTRACTS.

2. SHORT OF THE ASSURANCES WHICH WE CANNOT GIVE, YOU MAY WISH TO INFORM APPROPRIATE GOC OFFICIALS THAT IN FY 1975 LOCKHEED WAS THE NUMBER ONE US DEFENSE CONTRACTOR IN TERMS CONFIDENTIAL

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OF DOD CONTRACTS PLACED FOR A TOTAL OF 2.08 BILLION DOLLARS.

FOR THE FIRST SIX MONTHS OF FY 1976 CONTINUED STRONG UTILIZATION OF LOCKHEED BY THE DOD IS EVIDENCED BY THE PLACEMENT OF 977 MILLION DOLLARS IN DOD CONTRACTS.

3. PLEASE CONTINUE TO REPORT ANY DEVELOPMENTS ON LOCKHEED-GOC FINANCING PROBLEM AS THEY BECOME KNOWN TO EMBASSY. INGERSOLL

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Message Attributes

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Subject: LOCKHEED ASSURANCES TO CANADIAN GOVERNMENT

TAGS: MILI, EAIR, CA, LOCKHEED
To: OTTAWA

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